



Amy L. Alvarez
Federal Government Affairs

Suite 1000
1120 20th Street, NW
Washington DC 20036
202-457-2315
FAX 281-664-9610

March 12, 2004

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TWB-204
Washington, DC 20554

Re: Notice of Ex Parte - Schools and Libraries Universal Service Support
Mechanism, WC Docket 02-6

Dear Ms. Dortch:

On March 11, 2004, I met with Narda Jones, Katherine Tofigh, Karen Franklin and Mark Nadel of the Telecommunications Access Policy Division of the Wireline Competition Bureau. The purpose of this meeting was to discuss AT&T's petition seeking clarification that AT&T's online E-rate reimbursement process allows applicants to pay the non-discounted price for service and complies with the Commission's *Second Report and Order*, released April 30, 2003, in this proceeding. AT&T supports the spirit of the Commission's directive, which is to ensure that applicants are not faced with a cash flow burden when required to pay their bill and wait for reimbursement, and believes that its online reimbursement process complies with the Commission's requirement that customers have the option of paying the non-discounted portion of the cost of services, with the service provider seeking reimbursement for the discount.

I explained that, several years ago when AT&T examined how it could implement an option in which the applicant paid only the non-discounted portion of the cost of services, AT&T concluded that it would be unable to bill customers only the non-discounted portion without extensive and costly changes to its many legacy billing systems. In lieu of discounted bills, AT&T developed its online E-rate reimbursement process to ensure that customers receive timely reimbursements. AT&T's online reimbursement process allows the customer to go to the AT&T E-rate website that stores the customer's E-rate data and request a refund from AT&T in the amount of the discount *before* payment of its AT&T bill is due. If the customer requests an online refund as soon as it receives the AT&T bill, it should have the refund in hand within 6 to 10 days and in sufficient time to use the money to pay its current AT&T bill. I explained that this is the same result as if the amount of the discount had been printed on the applicant's bill: the applicant is not required to pay more than the non-discounted portion from its own funds and the service provider covers the amount of the discount pending reimbursement from USAC.

I also explained that AT&T is working on implementing a Universal Biller, which would be a single billing platform for all business services that would have the capability of billing the discounted amount. However, the completion of this project when all AT&T business services are moved to the Universal Biller is several years away and requiring AT&T to alter its legacy systems now, when it will do so again, creates needless expense.

In addition, I reiterated that if the Commission declines to clarify that AT&T's online reimbursement process complies with the rule, in the alternative, AT&T asks for a waiver of the rule. The relief requested would not undermine the policy objective of the rule in question.

One electronic copy of this Notice is being submitted to the Secretary of the FCC in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

A handwritten signature in black ink, appearing to read "Amy L. Alvarez". The signature is fluid and cursive, with a large, stylized "A" and "L".

cc: Karen Franklin
Narda Jones
Mark Nadel
Katherine Tofigh